



**A CASE STUDY OF THE FACTORS WHICH INFLUENCE THE VARY OF  
GOLD PRICE IN MALAYSIA**

**SARAH HANI BINTI ABD HALIL**

**2008579733**

**BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
KOTA BHARU CAMPUS, KELANTAN**

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**LETTER OF SUBMISSION**

Puan Nor Sabrina Zahari  
Faculty of Business Management,  
Universiti Teknologi MARA,  
Wisma KUB, Jalan Sultan Ibrahim  
15050 Kota Bharu, KELANTAN

12<sup>th</sup> January, 2012

Dear Sir/Madam,

**SUBMISSION OF THE FINAL PROJECT PAPER**

Enclose here with is the project paper proposal entitled, “ A CASE STUDY OF THE FACTORS WHICH INFLUENCE THE VARY OF GOLD PRICE IN MALAYSIA ” I hope that this report will meet your requirements and expectations.

Your kindness to accept this proposal is very much appreciated.

Thank you.

You're sincerely,

.....

(SARAH HANI BINTI ABD HALIL)

2008579733

**ACKNOWLEDGEMENTS**

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Sarah Hani binti Abd Halil

2008579733

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**Abstract**

Recently, due to the fluctuation of global economic and financial health, the world had witnessed the declines of many financial assets from as traditional as equities to the modern as mortgage. In contrast, the gold commodity impressively exposed to roughly doubling their price, that had derived by many factors. Based on other research theories, it is said that the currency exchange rates and the inflation rates have positively influence upon the gold price change. Except for the stock market price, some said it has positively influence upon the gold price while some said oppositely, relying on the substitution relationship of the gold and stock market in a country. If the stock market price has a positive influence upon the gold price, it means gold is not an alternative to the stock market, and vice versa. Because these determinants' influence upon the vary of gold prices were based on other researches and theories, it does not prove how approximate the robustness of each factors' influence upon the gold price. Based on this research's results, overally, these independent variables were proven to be positively correlated with gold price along with a high degree of total variable explanation to the gold price change ( $R^2$ ).